GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:736
ANSWERED ON:22.11.2001
GAUGE CONVERSION OF MUDKHED ADILABAD RAIL LINE
ANANTRAO GUDHE;SHIVAJI MANE

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways have received any memorandum from member of Parliament for the completion of Mudkhed −Adilabad new line on priority basis;

(b) if so, the details thereof and the action taken by the Government thereon;

(c) whether the Government are aware of the fact that Mudkhed − Adilabad Gauge conversion project is held up due to HUDCO;

(d) if so, the details thereof;

(e) whether HUDCO is demanding unnecessary comfort from Indian Railways;

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL)

(a) to (f) A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO. 736 BY SHRI ANANT GUDHE & SHRI SHIVAJI MANE TO BE ANSWERED IN LOK SABHA ON 22.11.2001 REGARDING GAUGE CONVERSION OF MUDKHED ADILABAD RAIL LINE.

(a) to (f) : Yes Sir. The work of gauge conversion of Mudkhed − Adilabad section on South Central Railway had been awarded to M/s Shakthi Concrete Industries Ltd. (SCIL), Hyderabad under the Build-Own-Lease Transfer (BOLT) scheme. The work was originally targeted for completion by 30.9.97. As the Agency was experiencing problems in getting its finances tied up, the date was extended to 31.3.99. However, the progress of the work still remained very slow and the Agency could not tie up its finances. M/s SCIL then floated a sister concern viz. M/s Shakthi Infrastructure Investment and Leasing Ltd. (SIILL), as a Special Purpose Vehicle (SPV) and have assigned them all the contractual rights. The new Agency, M/s SIILL tried to obtain the financing from Housing & Urban Development Corporation Ltd., (HUDCO) However, the same does not seem to be materialising. Further M/s HUDCO have demanded a letter of comfort from the Railways indemnifying HUDCO of any risk which, as per terms of contract, cannot be given by Railways.

Further action is being taken in terms of provisions of contract.